

13 (2) in order to obtain the insurance in connection with the extension
 14 of credit, the person to whom the credit is extended must give specific
 15 affirmative written indication of his desire to do so after written disclo-
 16 sure to him of the cost thereof.

17 The foregoing provision regarding excessive charges or premiums to be
 18 included in the rate of interest shall have application only to the original
 19 parties to an agreement and shall in no manner affect the negotiability of
 20 instruments or the rights of subsequent holders.

21 The insurance commissioner, after hearing where all interested parties
 22 shall be given an opportunity to be heard, shall approve a reasonable
 23 charge or premium for credit life and accident or health credit insurance.
 24 Such reasonable charge or premium shall allow a fair and reasonable re-
 25 turn or profit for the risk involved in providing such coverage."

1 SEC. 2. This Act, being deemed of immediate importance, shall take
 2 effect and be in force from and after its publication in The Times-Plain
 3 Dealer, a newspaper published in Cresco, Iowa, and in the Council Bluffs
 4 Nonpareil, a newspaper published in Council Bluffs, Iowa.

Approved April 4, 1969.

I hereby certify that the foregoing Act, Senate File 279, was published in The Times-Plain Dealer, Cresco, Iowa, April 9, 1969 and in the Council Bluffs Nonpareil, Council Bluffs, Iowa, April 9, 1969.

MELVIN D. SYNHORST, *Secretary of State.*

CHAPTER 278

ADMINISTRATION OF INDUSTRIAL LOAN LAW

S. F. 601

AN ACT to establish a permanent revolving fund for the office of the state auditor for payment of the costs incurred in the administration of the Iowa industrial loan law.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. Section five hundred thirty-six A point eleven (536A.11),
 2 Code 1966, is hereby amended as follows:

3 1. By striking from line thirty-six (36) the words "license fee after the
 4 state auditor has".

5 2. By striking lines thirty-seven (37) through forty-one (41), inclusive,
 6 and inserting in lieu thereof the following:

7 "investigation fee. If the cost of investigation exceeds the investigation
 8 fee, the excess cost shall be deducted from the license fee before any re-
 9 fund is made."

1 SEC. 2. Section five hundred thirty-six A point twelve (536A.12),
 2 Code 1966, is hereby amended by adding the following paragraph:

3 "The license fees provided in this section and the investigation and
 4 license fee provided for in section five hundred thirty-six A point seven
 5 (536A.7) of the Code, and the payment for the costs of examinations pro-
 6 vided for in section five hundred thirty-six A point fifteen (536A.15) shall
 7 constitute a revolving fund known as the 'industrial loan law revolving

8 fund.' From this fund shall be paid all expenses incurred in the administra-
 9 tion of this chapter. Any remainder in said fund at the end of each calendar
 10 year, exclusive of any license fees deposited for the succeeding year, shall
 11 revert to the general fund of the state."

Approved May 1, 1969.

CHAPTER 279

BUCKET SHOPS

S. F. 383

AN ACT relating to the prohibition of conducting, keeping, or maintaining bucket shops.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. A bucket shop within the meaning of this Act is defined
 2 to be a place wherein the proprietor or keeper thereof, or the agent or
 3 employee of such proprietor or keeper acting in his or its behalf, makes
 4 or offers to make pretended purchases or sales, or contracts of pretended
 5 purchases or sales, of shares of stock, investment securities or commodities
 6 without a bona fide transaction on a board of trade, exchange or market.

7 For the purposes of this Act, a bona fide transaction involving the pur-
 8 chase or redemption of shares of an investment company registered under
 9 the Federal Investment Company Act of 1940, such investment companies
 10 being commonly referred to as "mutual funds", shall be deemed a bona fide
 11 transaction on a board of trade, exchange or market.

1 SEC. 2. It shall be a public offense for any corporation, association,
 2 copartnership, person or persons, or agent to conduct, keep, maintain
 3 or cause to be conducted, kept or maintained, within this state, any bucket
 4 shop. Any corporation, person or persons, or agent whether acting individual-
 5 ly or as a member, or as an officer, agent, or employee of any corporation,
 6 association, or copartnership, who shall conduct, keep, maintain, or assist
 7 in the conducting, keeping or maintaining of any bucket shop within this
 8 state shall, upon conviction thereof, be fined in a sum not to exceed one
 9 thousand dollars or be imprisoned in the penitentiary not exceeding two
 10 years.

1 SEC. 3. Any person or persons who shall be convicted of a second
 2 offense under section two (2) of this Act, in addition to the penalty pre-
 3 scribed in section two (2) of this Act, may be both fined and imprisoned
 4 in the discretion of the court, and, if a corporation, it shall be liable to
 5 forfeiture of all its rights and privileges. The continuance of a bucket shop
 6 after the first conviction shall be deemed a second offense.

1 SEC. 4. Chapter five hundred fifty-two (552), Code 1966, is hereby re-
 2 pealed.

Approved June 5, 1969.